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PSC Paves Cost-Effective Path to Develop New Transmission Lines

Commission Transmission Decision Helps New York Move Forward with CLCPA Mandates

ALBANY — The New York State Public Service Commission (Commission) today approved a methodology for benefit cost analysis proposals to be submitted by the major utilities to enable a cost-effective prioritization of local transmission and distribution investments needed to meet Climate Leadership and Community Protection Act (CLCPA) mandates.

“The process we are approving today is consistent with the least-cost approach to meeting CLCPA requirements,” **said Commission Chair Rory M. Christian.** “New York is making significant upgrades and additions to the State’s existing transmission and distribution systems to integrate new large-scale renewable energy projects into the State’s energy supply, and we must ensure that these investments are smart and cost-effective.”

The landmark Accelerated Renewable Energy Growth and Community Benefit Act, companion legislation to the CLCPA, requires the Commission and the utilities, including the Long Island Power Authority, to develop plans that provide for the timely development of local transmission and distribution upgrades needed to meet CLCPA targets. The Commission directed the major utilities to develop the benefit/cost analysis method (BCA) for use in the evaluation of potential local electric transmission and distribution system upgrades identified under the statute.

The purpose of the approved BCA is to guide the utilities toward the most cost-effective expenditure of ratepayer dollars to meet CLCPA mandates. The BCA method approved by the Commission would rely upon capacity expansion modeling to focus on satisfying CLCPA requirements at the lowest cost. The projects under consideration include traditional line and substation types of projects, as well as rebuilding or reconductoring circuits, substation reconfigurations, expansions or rebuilds, construction of new substations, and installation of additional transformers.

The steps included in the approved BCA approach include:

- Capacity expansion modeling that considers the total cost of generating, connecting, and delivering energy produced from renewable generation after curtailments;
- Relying on inputs such as: (1) the capital cost and energy output of renewable generation sources in different locations across the State; (2) the capital cost of means of creating headroom for the delivery of renewable energy, including the Phase 2 local transmission projects, non-wires alternatives and bulk transmission system interconnections; and (3)

constraints that need to be respected, for example feasibility and siting limitations for resource types in certain locations;

- Establishing a 70 percent renewable energy production resource requirement by 2030 consistent with New York State Energy Research and Development Authority and Department of Public Service staff estimates, and relying upon the capacity planning model to “build” a least cost portfolio of renewable resources and sources of headroom for the interconnection and delivery of such resources (the “capacity expansion”); and
- Combining sources of renewable generation and other projects and stacking combinations from least cost to highest cost needed to cost effectively achieve 70 percent renewable energy generation by 2030.

New York State's Nation-Leading Climate Plan

New York State's nation-leading climate agenda is the most aggressive climate and clean energy initiative in the nation, calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy as New York State recovers from the COVID-19 pandemic. Enshrined into law through the Climate Leadership and Community Protection Act, New York is on a path to achieve its mandated goal of a zero-emission electricity sector by 2040, including 70 percent renewable energy generation by 2030, and to reach economy wide carbon neutrality. It builds on New York's unprecedented investments to ramp-up clean energy including over \$35 billion in 120 large-scale renewable and transmission projects across the state, \$6.8 billion to reduce buildings emissions, \$1.8 billion to scale up solar, more than \$1 billion for clean transportation initiatives, and over \$1.6 billion in NY Green Bank commitments. Combined, these investments are supporting nearly 158,000 jobs in New York's clean energy sector in 2020, a 2,100 percent growth in the distributed solar sector since 2011 and a commitment to develop 9,000 megawatts of offshore wind by 2035. Under the Climate Act, New York will build on this progress and reduce greenhouse gas emissions by 85 percent from 1990 levels by 2050, while ensuring that at least 35 percent with a goal of 40 percent of the benefits of clean energy investments are directed to disadvantaged communities, and advance progress towards the state's 2025 energy efficiency target of reducing on-site energy consumption by 185 trillion BTUs of end-use energy savings.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 20-E-0197 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.